

CHAPTER 134

**INSURANCE**

**HOUSE BILL 98-1053**

BY REPRESENTATIVES Kreutz, McPherson, Musgrave, Owen, Paschall, T. Williams, and Young;  
also SENATORS Wattenberg, Tebedo, and Weddig.

**AN ACT**

CONCERNING EXEMPTION OF SHORT-TERM LIMITED DURATION HEALTH INSURANCE POLICIES FROM THE  
DEFINITION OF A "HEALTH BENEFIT PLAN" SUBJECT TO REGULATION BY THE COMMISSIONER OF  
INSURANCE.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 10-16-102 (21) (b), Colorado Revised Statutes, is amended to read:

**10-16-102. Definitions.** As used in this article, unless the context otherwise requires:

(21) (b) "Health benefit plan" does not include: Accident only; credit; dental; vision; medicare supplement; benefits for long-term care, home health care, community-based care, or any combination thereof; disability income insurance; liability insurance including general liability insurance and automobile liability insurance; coverage for on-site medical clinics; coverage issued as a supplement to liability insurance, workers' compensation or similar insurance; or automobile medical payment insurance. The term also excludes specified disease, hospital confinement indemnity, or limited benefit health insurance if such types of coverage do not provide coordination of benefits and are provided under separate policies or certificates. SOLELY WITH RESPECT TO THE PROVISIONS OF SECTION 10-16-118 (1) (b) CONCERNING CREDITABLE COVERAGE FOR INDIVIDUAL POLICIES, THE TERM EXCLUDES INDIVIDUAL SHORT-TERM LIMITED DURATION HEALTH INSURANCE POLICIES ISSUED AFTER JANUARY 1, 1999. THIS MEANS SUCH POLICIES DO NOT HAVE TO RECOGNIZE CREDITABLE COVERAGE. FOR THE PURPOSE OF THIS PARAGRAPH (b), "SHORT-TERM LIMITED DURATION HEALTH INSURANCE POLICY" MEANS A NONRENEWABLE INDIVIDUAL HEALTH BENEFIT PLAN WITH A SPECIFIED DURATION OF NOT MORE THAN SIX MONTHS THAT MEETS THE FOLLOWING REQUIREMENTS:

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

(I) THE SHORT-TERM LIMITED DURATION HEALTH INSURANCE POLICY IS ISSUED ONLY TO INDIVIDUALS WHO HAVE NOT HAD MORE THAN ONE SUCH POLICY PROVIDING THE SAME OR SIMILAR NONRENEWABLE COVERAGE FROM ANY CARRIER WITHIN THE PAST TWELVE MONTHS AND SO STATES IN ALL MARKETING MATERIALS, APPLICATION FORMS, AND POLICY FORMS. AN APPLICANT SHALL BE DEEMED TO BE ELIGIBLE FOR COVERAGE IF A SHORT-TERM CARRIER INCLUDES IN ITS APPLICATION FORM THE FOLLOWING: "HAVE YOU OR ANY OTHER PERSON TO BE INSURED BEEN COVERED UNDER TWO OR MORE NONRENEWABLE SHORT-TERM POLICIES DURING THE PAST TWELVE MONTHS? IF "YES", THEN THIS POLICY CANNOT BE ISSUED. YOU MUST WAIT SIX MONTHS FROM THE DATE OF YOUR LAST SUCH POLICY TO APPLY FOR A SHORT-TERM POLICY."

(II) THE SHORT-TERM LIMITED DURATION HEALTH INSURANCE POLICY CONTAINS THE FOLLOWING DISCLOSURE IN TEN-POINT OR LARGER BOLD-FACE TYPE IN ALL MARKETING MATERIALS, APPLICATION FORMS, AND POLICY FORMS: "THIS POLICY DOES NOT PROVIDE PORTABILITY OF PRIOR COVERAGE. AS A RESULT, ANY INJURY, SICKNESS, OR PREGNANCY FOR WHICH YOU HAVE INCURRED CHARGES, RECEIVED MEDICAL TREATMENT, CONSULTED A HEALTH CARE PROFESSIONAL, OR TAKEN PRESCRIPTION DRUGS WITHIN TWELVE MONTHS OF THE EFFECTIVE DATE OF THIS POLICY WILL NOT BE COVERED UNDER THIS POLICY."

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 21, 1998